



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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May 13, 2008

To: Supervisor Yvonne B. Burke, Chair  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

## SACRAMENTO UPDATE

The following Sacramento Update provides a pursuit of position on a Los Angeles City Council agenda item which would regulate the discharge of hospital patients and information on the status of bills of importance to the County.

### Pursuit of Position on Los Angeles City Council Agenda Item

On Wednesday, May 14, 2008, the Los Angeles City Council will consider an ordinance to regulate the transport of discharged hospital patients. This ordinance is modeled after **County-opposed SB 275 (Cedillo)**, which would have prohibited hospitals from transporting patients to a location other than the patient's residence without their explicit consent. However, it also would have exposed hospitals to the possibility of criminal sanctions resulting in the loss of Medicare and Medi-Cal funding for a minimum of five years.

SB 275 was vetoed by the Governor on October 14, 2007. In his veto message the Governor indicated that while he strongly opposed patient dumping, hospitals already must meet specific discharge planning requirements and make appropriate arrangements for post-hospital care. Federal and State laws already provide sanctions against hospitals that violate licensing or certification requirements, including the potential loss of licensure and funding. The Governor emphasized that enforcement of existing laws was critical and that additional penalties were premature.

Although the Department of Health Services (DHS) shares the City's interest in ensuring the appropriate and safe discharge of homeless patients, the DHS has a serious concern about subjecting hospitals to the possibility of criminal sanctions. A hospital convicted of a misdemeanor under this ordinance would lose millions of dollars of Federal financial support, potentially resulting in the closure of that facility and further erosion of an already fragile emergency and trauma care system in Los Angeles County. **Therefore, consistent with County opposition to SB 275 (Cedillo), the County will oppose the adoption of this ordinance by the City of Los Angeles.** Carol Meyer of DHS will testify in opposition.

### **Status of County-Sponsored Legislation**

**County-cosponsored SB 579 (Wiggins), as amended on March 24, 2008**, which would authorize the Board of Supervisors to permit reinstatement of firefighters mandatorily retired upon reaching the age of 60 on or after April 1, 2007, was approved by the Senate Committee on Public Employment and Retirement on May 12, 2008 by a vote of 4 to 0 and now proceeds to the Senate Floor.

### **Legislation of County Interest**

**AB 2914 (Calderon)**, as amended on May 8, 2008, would create an Adult Entertainment Impact Fund and impose a 25 percent excise tax on adult entertainment venues and various forms of adult entertainment to address the negative secondary effects of the production and consumption of adult entertainment. Adult entertainment venues are defined in the bill as retail establishments that sell or rent adult material, allow viewing of adult material, or have live sexually explicit conduct for an admission fee. The tax also would be imposed on tangible personal property sold at retail through the Internet including books, magazines, film, videotape, and digital or computer-manipulated images. The measure specifically excludes live performances in legitimate theater venues.

The author indicates that AB 2914 would tax adult entertainment in a manner similar to the way in which cigarettes and alcohol are already taxed in this State. It is intended to balance the need to combat the negative effects of the adult entertainment industry against the legally protected rights of adult entertainment producers and consumers. The negative effects of adult entertainment venues are especially noteworthy here because California is the capital of the adult entertainment industry in the United States. The bill's findings note that the negative effects include increased crime at or near production locations, adverse impacts on the mental health of those involved in the production, increased chances of performers contracting a sexually transmitted disease, encouragement of unsafe sex by consumers, reduced property values, and curtailed property development.

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Revenue from the Adult Entertainment Impact Fund would be appropriated by the Legislature to combat increased criminal activity in the vicinity of adult entertainment venues, for programs to address the negative effects on property values, to address related health issues including the testing and treatment of sexually transmitted diseases and mental health treatment, for State and local substance abuse treatment programs, Child Protective Services, trial courts, elementary and secondary education, public assistance and public social service programs, and to aid in the effort to combat sexual predators. The bill does not specify what percentage of funding would be allocated for any purpose, which would be at the discretion of the Legislature. The State Board of Equalization estimates that AB 2914 could generate up to \$665 million annually.

AB 2914 is sponsored by the author and supported by the American Federation of State, County and Municipal Employees, AFL-CIO; California Labor Federation; California Tax Reform Association; California Teachers Association; County Alcohol and Drug Program Administrators Association of California; Los Angeles County Sheriff's Department; Pink Cross Foundation; and the Service Employees International Union. It is opposed by the Association of Club Executives of California; Food and Beverage Association of San Diego; Free Speech Coalition; Taxpayers for Improving Public Safety; and the Victims Foundation. AB 2914 is awaiting a hearing in the Assembly Revenue and Taxation Committee.

We will continue to keep you advised.

WTF:GK:MAL  
DD:IGR:hg

c: All Department Heads  
Legislative Strategist  
Local 721  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association  
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City Managers Associations  
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